

2010

*P*AYMENT
*M*ANAGEMENT

CUSTOMER CONFERENCE

Sheryl Morrow

Assistant Commissioner
Payment Management

2010



CUSTOMER CONFERENCE

Payment Management

Mission

To provide unparalleled payment and post-payment services to the American public on behalf of federal agencies.

Payment Management *Vision*

World class, efficient delivery of federal government payment and post-payment services for our customers.

Payment Management will accomplish our vision through efficient use of resources; continuous improvement in operations characterized by the sharing and use of best practices; strategic partnership with our customers and stakeholders; and the effective use of contractors, fiscal agents and financial agents. Payment Management employees are dedicated to this vision and are equipped with the tools and training necessary to make it a reality.

Payment Management *Tactical Goals*

- 90% of all Treasury payments are EFT (current EFT rate is 82%).
- The organization and production model are aligned with decreased check volume and other upcoming changes in the payment business.
- Operational best practices are utilized in all payment, claims and reclamation processes, resulting in a highly effective and efficient organization.

Payment Management *Tactical Goals*

- Sound disbursement policies and procedures guide governmentwide payment processing.
- Hardware and software technology results in highly effective and efficient payment and post-payment production.
- State-of-the-art e-commerce solutions for transactions involving Government payments.
- Effective oversight of NTDO payments and sound business reasons for those payments not being disbursed by FMS.

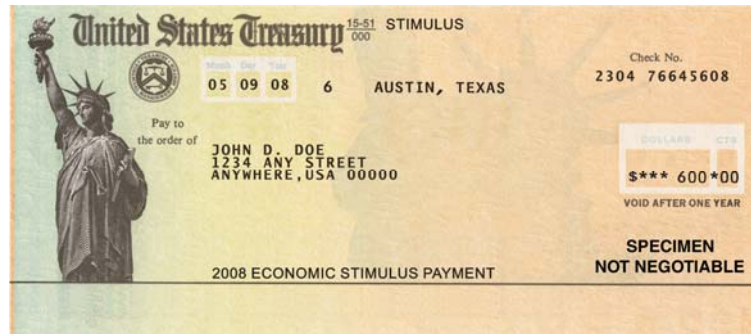


- **Go Direct** has converted more than 4.7 million people to direct deposit – financial institutions are valued partners
- FMS has partnered with SSA, VA, RRB and OPM along with financial institutions, and hundreds of community-based organizations to provide the Go Direct message.

2010
*P*AYMENT
*M*ANAGEMENT
CUSTOMER CONFERENCE

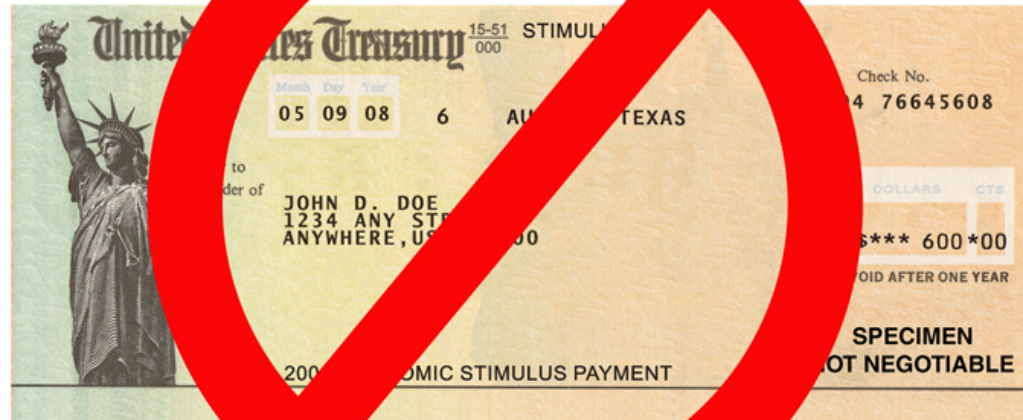


- The Direct Express® Debit MasterCard® card gives people without bank accounts a secure, convenient way to receive and use their Federal benefits
- Over one million enrollments to date
- Targeted at the “unbanked” community



- Despite these efforts, we printed and mailed more than 136 million paper benefit checks last year.
- The total number of checks that we printed and mailed in FY 2009 was almost 200 million.
- The Debt Collection Act of 1996 required that all non-tax Federal payments be made by EFT.

Now is the Time to Take Action!



Proposed Regulation Change

- Individuals who apply for Federal benefits on or after March 1, 2011 would receive their benefit payments by EFT.
 - Those who do not choose direct deposit to an account at a financial institution would be enrolled in the Direct Express[®] Debit MasterCard[®] card program.
- Recipients currently receiving benefit payments by check on or before March 1, 2011 would continue to do so.

Proposed Regulation Change

- Beginning March 1, 2013, all recipients of Federal benefit payments would receive their payments by direct deposit, either to a bank account or to a Direct Express[®] card account.
- The Notice of Proposed Rulemaking (NPRM) applies to all non-tax payments, but initial implementation will target benefit payments.

Benefits

- Electronic payments provide a safer, more convenient and cost-effective way for people to get their federal benefits than paper checks.
- Annual taxpayer savings would total more than \$125 million.

Status and Next Steps

- Actively working with Federal agencies
 - SSA, VA, RRB, OPM, DOL
- Briefings conducted with Congress
- Meetings with key stakeholder organizations
- Evaluate comments on NPRMs and issue final rules
- Launch public education and outreach campaign

Public Education Campaign

Targets:

- Soon-to-retire
- People with disabilities
- Influencers
- Elected officials
- Partners
- Paying agencies
- Check recipients (SSA, SSI, VA, OPM, RRB, DOL)

Beyond Benefit Payments

- **Tax Refunds**
 - 65.9% EFT
 - Debit Card Pilot
- **Vendor/Miscellaneous Payments**
 - Vendor – 72% EFT
 - Miscellaneous - 75% EFT
- **Room for improvement in each area**



What Does the Future Hold? Nostradamus, I'm Not, But...

By 2014

- All Electronic Treasury Initiative will be completed.
- Declining Check Volumes
- PAM will be in full production
- Payments will be made with reporting the “GWA way”
- New RFC Configuration
- Streamlined Post Payment Processes
- New Call Center configuration
- Increased use of FMS disbursing by NTDOs

***By* 2014**

Call me on January 3, 2014

202-874-6790



Thank You for Attending this
Conference!